From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Wed, 10/8/2014 5:51:40 PM
Subject:	Daily Update

Quote of the Day

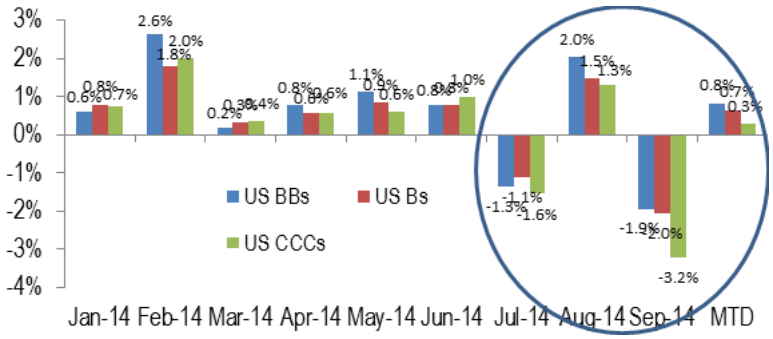
"Whosoever desires constant success must change his conduct with the times." - Machiavelli

---

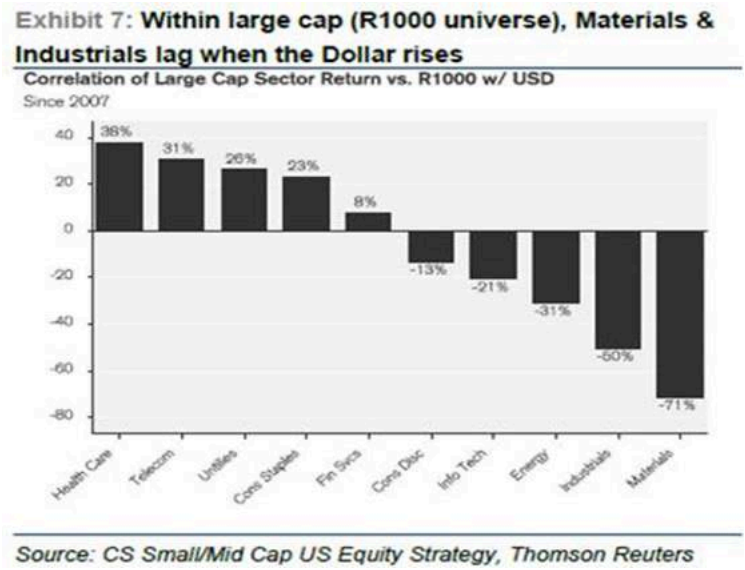
- Mr. Hyde was back as US equity investors were caught off guard with a 1.5% decline yesterday. Rates had a large rally. Small caps continue to get crushed. A lot of P&L, psychological and technical damage was inflicted yesterday. There is confusion and frustration in morning notes today. There are a lot of words/phrases being used including "reflection", "no good reason", "consolidation", "no new news". However, if you pick up the WSJ today there are a number of headlines that are troubling investors: growth fears, Europe, US elections, ISIS, ebola and dogbola, Obama's policy struggles, etc..etc..etc… I think the end of QE combined with slowing global growth and declining inflation is problem (one that will incent policy makers to remain supportive). Reminder: US data remains good. Overnight and this morning global markets are red (ex-China) although Europe is clawing back from deeper losses as the US opens (more policy support coming?). Alcoa kicks off earnings season at the close today. Eminis: +1 ¼. 10 year: 2.34%

- Data: Fed minutes from last month to be released at 2pm

- Credit: the credit markets performed surprisingly well given the carnage in equity markets. Loans were flatish. New issue is trading well. Another BWIC hit too. Loan outflows continue. Bonds down a bit. Indices held in well. JPMorgan research today is indicating that defensiveness is creeping into the high yield market (chart below) – canary?:



- Chart(s) of the day:



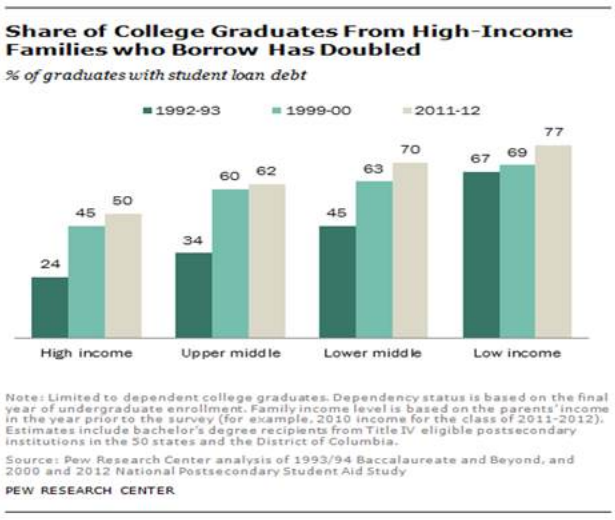
Oil

Last Price 87.81
High on 06/20/14 103.85
Average 95.69
Low on 10/08/14 87.81
Open Interest 0.209M
SMAVG (15) 0.271M
Jan Feb Mar Apr May Jun Jul Aug Sep
2014
CLX4 Comdty (WTI CRUDE FUTURE Nov14) Daily 31DEC2013-08OCT2014 Copyright© 2014 Bloomberg Finance L.P. 08-Oct-2014 09:03:06

German Industrial Production (yoy)

Last Price -2.8
High on 12/31/10 14.8
Average 0.3
Low on 04/30/09 -22.0
2009 2010 2011 2012 2013 2014
GEINYY Index (Germany Industrial Production YoY NSA WDA) Monthly 08OCT2008-08OC Copyright© 2014 Bloomberg Finance L.P. 08-Oct-2014 09:04:59

- Other:
  - "Obama appears to be interested in a talent infusion that would add depth and expertise" - http://www.washingtonpost.com/opinions/david-ignatius-obama-may-be-looking-to-shake-up-his-white-house-team/2014/10/07/adfe9b1c-4e5d-11e4-babe-e91da079cb8a_story.html?wprss=rss_homepage
  - Nnnnnooooooo?... http://www.washingtonpost.com/opinions/us-air-campaign-against-islamic-state-isnt-achieving-its-aims/2014/10/07/999fff98-4e4a-11e4-babe-e91da079cb8a_story.html?wprss=rss_homepage
  - USD headwinds (let's review any issuer in the book who could be impacted) http://online.wsj.com/articles/dollars-surge-imperils-corporate-earnings-1412722257?mod=WSJ_hp_LEFTTopStories
  - More on the PIMCO AUM drain http://www.ft.com/intl/cms/s/0/803a88ba-4e73-11e4-adfe-00144feab7de.html?siteedition=intl#axzz3FPbch5bn
  - Hmmmmm, so many observations to make here:


Share of College Graduates From High-Income Families who Borrow Has Doubled
% of graduates with student loan debt
1992-93
1999-00
2011-12
24
45
50
34
60
62
45
63
70
67
69
77
High income
Upper middle
Lower middle
Low income
Note: Limited to dependent college graduates. Dependency status is based on the final year of undergraduate enrollment. Family income level is based on the parents' income in the year prior to the survey (for example, 2010 income for the class of 2011-2012). Estimates include bachelor's degree recipients from Title IV eligible postsecondary institutions in the 50 states and the District of Columbia.
Source: Pew Research Center analysis of 1993/94 Baccalaureate and Beyond, and 2000 and 2012 National Postsecondary Student Aid Study
PEW RESEARCH CENTER

- HY: 106 7/16 (-)

- IG: 69 3/8 (-1/16)
- CSLLI: 0.16% mtd / 2.59% ytd

Stan Sokolowski
Senior Portfolio Manager, Head of Portfolio Management and Trading
CIFC Asset Management LLC
250 Park Avenue, 4th Floor | New York, NY 10177
☎ (D) +1 212.624.0931 | (C) +1 203.918.3022
✉ ssokolowski@cifc.com | www.cifc.com

This communication and any files transmitted with it are confidential and intended only for the specified addressee. If you have received th